VZCZCXRO0048 RR RUEHBI RUEHCI DE RUEHAM #5566/01 2060705 ZNY CCCCC ZZH R 250705Z JUL 06 FM AMEMBASSY AMMAN TO RUEHC/SECSTATE WASHDC 2576 INFO RUEHBJ/AMEMBASSY BEIJING 0103 RUEHEG/AMEMBASSY CAIRO 2520 RUEHLM/AMEMBASSY COLOMBO 0110 RUEHKA/AMEMBASSY DHAKA 0086 RUEHNE/AMEMBASSY NEW DELHI 0202 RUEHTV/AMEMBASSY TEL AVIV 0085 RUEHCI/AMCONSUL CALCUTTA 0020 RUEHHK/AMCONSUL HONG KONG 0021 RUEHJM/AMCONSUL JERUSALEM 3990 RUEHKP/AMCONSUL KARACHI 0036 RUEHBI/AMCONSUL MUMBAI 0045 RUCPDOC/DEPT OF COMMERCE WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 AMMAN 005566

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E.O. 12958: DECL: 07/23/2016
TAGS: <u>ELAB ETRD PHUM GTIP KTEX JO</u>
SUBJECT: MINISTERS PROMISE ACTION ON QIZ LABOR ISSUES

Classified By: Classified by Ambassador David Hale for reasons 1.4 (b) and (d).

11. (SBU) SUMMARY: Ambassador raised continuing USG concerns about the QIZ labor situation with the King's top aide and relevant ministers, in each case without aides present. GoJ leadership understands the importance of the problem but there was divergence on how different GoJ elements perceived progress toward a solution. The King's office has promised to push ministries to coordinate and move quickly. END SUMMARY.

Minister of Labor Offers Himself a Pat on the Back

- 12. (SBU) In a July 19 meeting, Minister of Labor Bassem Salem, while reiterating public comments that acknowledged Jordan's QIZ labor problems, was at times complacent in addressing Ambassador's concerns about the quality of inspections to date, the fact that the Ministry had closed only one factory, the Ministry's lack of capacity to move more than a few workers at a time from bad factories to good ones, and failure to get employers to return passports to employees. Instead, Minister Salem focused on the actions he had taken; this included a claim that he bent Jordanian legal requirements in order to move some workers to good factories in order to end labor violations more quickly. Salem claimed that the National Labor Committee (NLC) follow-up report of June 13 was actually positive for Jordan.
- 13. (C) COMMENT: That Salem should cite the June 13 NLC report in this way suggests he is out of touch. While it commends the government for taking some action and cites widespread improvement in a number of factories, Salem failed to acknowledge Parts B & C of the report, which refer to the 'Not-So-Positives' and 'Failures' of government to take action in a number of other factories. Additionally, the NLC issued an 'urgent update' to the report which alleges beatings, long hours, and no food and water for workers at one factory, Western. Some of his own cabinet colleagues have described the millionaire businessman/Minister as "aloof" from the issue. END COMMENT.
- 14. (SBU) On July 20, MoL officials responsible for moving workers informed EconOff that 150 workers from the Western

factory in Irbid, tired of waiting for promised MoL action, had left the facility that morning of their own volition and were being sheltered at their respective Embassies in Amman. MoL officials said they were aware of the problems at Western (reported septel) and had planned to move these workers for some time but now, due to diplomatic pressure, would have move to more quickly.

Minister of Industry and Trade Passes the Buck

 $\P5$. (C) Minister of Industry and Trade Sharif Zu'bi July 18 told Ambassador that he had heard of no prosecutions against any of the factory owners or managers on any charges, including labor violations. He criticized the Minister of Interior for not being more focused on criminal prosecution. Zu'bi expressed concern about the Ministry of Labor's slow action to date and industrialists' problems with the Ministry's short-term implementation of patchwork labor fixes that fail to address a comprehensive approach to their needs. The Minister was also very critical of the MoL inspection regime, stating that a number of inspectors are corrupt and "only go to conduct inspections when their wives need new clothes." COMMENT: While Zu'bi recognizes the seriousness of the problem and that a more pro-active approach is required, he often finds himself at odds with the MoL and his comments may reflect his differences with Salem. In the past, Zu'bi supported the industry's resistance to an MoL push for visa fee hikes and bank guarantee deposits. Zu'bi's primary goal is to enhance Jordan's investment appeal. He should be commended for following a hard line with the industry in pursuit of this objective. He repeatedly tells them that they need to recognize that they have "bad apples" among

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them. But as one senior Jordanian official commented, Zu'bi is in a "pass the buck" mode. END COMMENT.

Minister of Interior Stuck in Neutral

16. (SBU) In a July 18 meeting with the Ambassador, Minister of Interior Eid Fayez referenced a weekly meeting with the Ministers of Labor, Industry and Trade, and Foreign Affairs on QIZ issues to demonstrate the commitment his Ministry has made to the allegations of labor violations. In response to Ambassador's concern over the failure to prosecute a single case for labor violations, Fayez showed Ambassador a file of alleged violations that he had passed to the Public Security Directorate (PSD) a month prior for "immediate action." Since then, Fayez said no further action has taken place because there are no complainants willing to file charges against factory owners. When asked why the state could not pursue charges based on PSD investigations, Fayez said he would research the legalities of this possibility. Fayez concurred that he appreciates the potential negative consequences for Jordan if criminal cases of labor violations are not prosecuted.

King's Office Director Favors Stronger and More Immediate Action $\,$

17. (SBU) In a July 19 meeting with the Director of the King's Office, Bassem Awadallah, Ambassador found a receptive audience ready to tackle QIZ labor violation problems immediately. Awadallah clearly expressed his concern about the problem and unhappiness about the progress to date. Awadallah is motivated to see expedited action that more thoroughly rids the sector of labor violators. As a first step, Awadallah promised to convene the Ministers of Labor, Industry and Trade, Interior, and Foreign Affairs "to knock heads." Labor Minister confirmed to Ambassador that the meeting was held on July 23, and the King's desire for real progress was made abundantly clear. Ambassador has also briefed the Foreign Minister of the potential impact that

issue could have on Jordan's image and bilateral relationship, points he readily acknowledged. We expect the four-Minister Cabinet group to continue to meet, and Embassy will keep the pressure on for implementation.